

**MAURY COUNTY EMERGENCY**  
**COMMUNICATIONS DISTRICT**  
  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
  
**YEAR ENDED JUNE 30, 2015**

**D. GREGORY JOHNSON**  
CERTIFIED PUBLIC ACCOUNTANT

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2015**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Maury County Emergency Communications District  
Columbia, Tennessee

**Report on the Financial Statements**

I have audited the accompanying financial statements of the Maury County Emergency Communications District, a component unit of Maury County, Tennessee as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

***Opinion***

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Maury County Emergency Communications District as of June 30, 2015, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As described in Note J, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. My opinion is not modified with respect to these matters.

### ***Emphasis of Matter***

I draw attention to Note A to the financial statements, which describes a restatement to reduce the beginning net position by \$96,735. This restatement was necessary because of the transitional requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. My opinion is not modified with respect to these matters.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 8, and the schedule of changes in the District's net pension liability (asset) and related ratios and the schedule of the District's contributions on pages 25 through 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

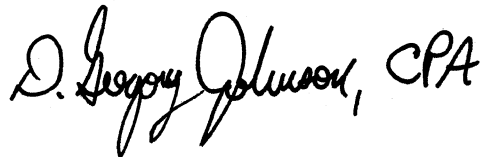
My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Maury County Emergency Communications District's basic financial statements. The introductory section and supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated May 2, 2016, on my consideration of the Maury County Emergency Communications District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Maury County Emergency Communications District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "D. Gregory Johnson, CPA". The signature is written in a cursive, flowing style.

D. Gregory Johnson, CPA  
Columbia, Tennessee  
May 2, 2016

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
ROSTER OF MANAGEMENT AND BOARD OF DIRECTORS  
YEAR ENDED JUNE 30, 2015**

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**Management Officials**

Mark Gandee, Director

Susan R. Mitchell, Assistant Director

Michelle R. Denton, Administrative Assistant

**Board of Directors**

Tim Potts, Board Chairman

Mark Blackwood, Vice Chairman

Bucky Rowland, Member

Edward Harlan, Member

James Bailey, Member

James Lynn Thompson, Member

Rick Hamilton, Member

Tommy Hemphill, Member

Sondra Wilson-Martin, Member

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2015**

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As management of the Maury County Emergency Communications District, we offer readers of the District's financial statements this narrative overview and analysis of the District's performance during the fiscal year ending June 30, 2015. Please read it in conjunction with the District's financial statements, which follow this section.

**Overview of the Financial Statements**

This annual report includes the management's discussion and analysis report, the independent auditor's report and the basic financial statements of the District. The financial statements also include notes that explain in more detail some of the information in the financial statements.

**Required Financial Statements**

The financial statements of the District report information of the District using accounting methods similar to those used by private sector companies. These statements offer both short-term and long-term financial information about its activities. The Statement of Net Position includes all of the District's assets and liabilities and provides information about where the District has invested its resources (assets) and the obligations to the District's creditors (liabilities).

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine whether the District has successfully recovered all its costs through surcharges and fees.

The final required financial statement is the Statement of Cash Flows. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

**Financial Analysis of the District**

One of the most important questions asked about the District's finances is "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District's activities in a way that will help answer this question. These two statements report the net position of the District and the changes in them. One can think of the District's net position – the difference between assets and liabilities – as one way to measure financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. The District is providing condensed financial information for fiscal 2015 and 2014 for comparative analysis. A summary of the District's net position and changes thereon is presented on the following page.

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2015**

SUMMARIZED FINANCIAL INFORMATION  
YEARS ENDED JUNE 30th

	NET POSITION		Dollar	Percentage
	2015	2014	Change	Change
Current assets	\$ 687,017	\$ 821,255	\$ (134,238)	-16.3%
Capital assets	974,217	877,108	97,109	11.1%
Total assets	<u>1,661,234</u>	<u>1,698,363</u>	<u>(37,129)</u>	-2.2%
Deferred outflows of resources	90,813	-	90,813	100.0%
Current liabilities	42,842	39,646	3,196	8.1%
Other liabilities	72,565	-	72,565	100.0%
Total liabilities	<u>115,407</u>	<u>39,646</u>	<u>75,761</u>	191.1%
Deferred inflows of resources	61,546	-	61,546	100.0%
Net position				
Investment in capital assets	974,217	877,108	97,109	11.1%
Unrestricted	600,877	781,609	(180,732)	-23.1%
	<u>\$ 1,575,094</u>	<u>\$ 1,658,717</u>	<u>\$ (83,623)</u>	-5.0%

	CHANGES IN NET POSITION			
Revenues	\$ 1,294,709	\$ 1,365,986	\$ (71,277)	-5.2%
Operating expenses	<u>1,473,143</u>	<u>1,540,866</u>	<u>(67,723)</u>	-4.4%
Operating income (loss)	(178,434)	(174,880)	(3,554)	2.0%
Nonoperating revenues net of expenses	<u>191,546</u>	<u>46,112</u>	<u>145,434</u>	-315.4%
Changes in net position	<u>13,112</u>	<u>(128,768)</u>	<u>141,880</u>	-110.2%
Net position, beginning of year	1,658,717	1,787,485	(128,768)	-7.2%
Restatement of beginning net position	<u>(96,735)</u>	-	<u>(96,735)</u>	-100.0%
Net position, beginning of year, restated	<u>1,561,982</u>	<u>1,787,485</u>	<u>(225,503)</u>	-12.6%
Net position, end of year	<u>\$ 1,575,094</u>	<u>\$ 1,658,717</u>	<u>\$ (83,623)</u>	-5.0%



**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2015**

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**Analysis of Financial Position and Results of Operations**

As can be seen from the summarized financial information on the previous page, the District's total assets have decreased \$37,129 during the year ended June 30, 2015, which includes a \$151,371 decrease in cash, a \$743 increase in certificates of deposit, a \$1,478 decrease in receivables, and a \$17,868 increase in prepaid expenses. Net capital assets increased \$97,109 as a result of additions to depreciation of \$104,837 with net additions to fixed assets of \$201,946. Net position decreased \$83,623 from the previous year of which \$96,735 of this change is a result of a prior period adjustment due to implementation of GASB 68, *Accounting and Financial Reporting for Pensions*. In the current year, the District's total revenue decreased slightly by 5.22% due mainly to decreases in collections of AT&T revenue. Total expenses for the District decreased 4.4% due primarily to a decrease in salary and employee benefit costs. The implementation of GASB 68 reduced current year retirement expense by \$53,437 as current year contributions are now applied against future net pension liability.

**The District's Net Position**

The District completed the year with a net position of \$1,575,094. The net position at June 30, 2015, consist of \$974,217 invested in capital assets, and \$600,877 unrestricted and undesignated.

**Budgetary Highlights**

The District adopts an annual operating budget which includes proposed expenses and the means for paying these expenses. As conditions change during the year, the budget may be amended to prevent budget overruns.

Operating revenues for the year were \$1,294,709 compared to \$1,365,986 in the previous year; a decrease of 5.22%. The Tennessee Emergency Communications Board (TECB) funding amounted to \$852,422, which included shared wireless, operational funding and distribution of 911 surcharge base funding. Other emergency support services had only slight increases. Nonoperating revenue consists of TECB reimbursements for equipment.

Total expenditures in most budget categories remained in line with a few exceptions. Salaries and wages were \$64,163 less than final budgeted amounts. Employee benefit costs paid were \$26,675 less than budgeted amounts. Repairs and maintenance for the building and communications equipment were in line with budgeted amounts.

**Capital Assets**

The District's current investment in capital assets amounts to \$1,680,958 with accumulated depreciation of \$706,741. Capital assets include the building, communications equipment, a vehicle, as well as office furniture and office equipment. Current year additions amounted to \$201,946, and there were no retirements in the year ended June 30, 2015.

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2015**

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**Economic Factors and Future Needs**

The District's primary source of revenue since inception has been telephone surcharge rates which were sent to the district through December 2014. Effective January 1, 2015 all surcharge revenues from telephone companies were paid to the TECB as stipulated in the new 911 Funding Modernization Act. These funds are distributed to each district by direct deposit based on the formula prepared by the TECB. The District has had to incorporate this new revenue source structure into its budget decisions and overall management of 911 service operations.

**Request for Information**

This financial report is designed to provide a general overview of the Maury County Emergency Communications District's finances for those interested parties. If you have questions about this report or need additional information, contact the Director, Maury County Emergency Communications District, P.O. Box 1171, Columbia, Tennessee 38402-1171.

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

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**Assets**

Current assets

Cash and equivalents	\$ 240,488
Certificates of deposit	406,818
Accounts receivable	21,843
Prepaid expenses	<u>17,868</u>

Total current assets 687,017

Capital assets, net of accumulated depreciation  
of \$706,741

974,217

Total assets 1,661,234

**Deferred outflows of resources**

Pension changes in experience	18,476
Pension contributions subsequent to the measurement date	<u>72,337</u>

Total deferred outflows of resources 90,813

**Liabilities**

Current liabilities

Accounts payable	13,025
Accrued expenses	<u>29,817</u>

Total current liabilities 42,842

Other liabilities

Net pension liability	<u>72,565</u>
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Total liabilities 115,407

**Deferred inflows of resources**

Pension changes in investment earnings	<u>61,546</u>
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**Net position**

Investment in capital assets	974,217
Unrestricted	<u>600,877</u>

Total net position \$ 1,575,094

The accompanying notes are an integral part of these financial statements.

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2015**

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**Operating revenue**

Emergency telephone service charges	\$ 130,541
State emergency communications board - shared wireless	110,920
State emergency communications board - operational funding	209,996
TECB distribution of 911 surcharges	461,280
Emergency support services	262,118
Other income	119,854
	<hr/>
Total revenue	1,294,709

**Operating expenses**

Salaries and wages	829,775
Employee benefits	290,586
Contracted services	149,983
Supplies, materials and maintenance	64,200
Other charges	33,762
Depreciation	104,837
	<hr/>
Total operating expenses	1,473,143
	<hr/>
Net operating loss	(178,434)

**Nonoperating revenue (expense)**

Interest income	1,196
Grants and reimbursements	190,350
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Net nonoperating income	191,546

**Increase in net position**

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	13,112
<b>Net position, beginning of year</b>	1,658,717
	<hr/>
Restatement of beginning net position	(96,735)
	<hr/>
<b>Net position, beginning of year, restated</b>	1,561,982
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<b>Net position, end of year</b>	<u><u>\$ 1,575,094</u></u>

The accompanying notes are an integral part of these financial statements.

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2015**

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<b>Cash flows from operating activities</b>	
Receipts from surcharges	\$ 936,058
Receipts from emergency support services	240,275
Payments to suppliers	(263,960)
Payments to employees	(1,172,455)
Other receipts (payments)	<u>119,854</u>
Net cash used by operating activities	<u>(140,228)</u>
<b>Cash flows from noncapital financing activities</b>	
Proceeds from grants and reimbursements	<u>190,350</u>
<b>Cash flows from capital and related financing activities</b>	
Purchases of capital assets	<u>(201,946)</u>
<b>Cash flows from investing activities</b>	
Interest income	1,196
Purchases of certificates of deposit	<u>(743)</u>
Net cash provided by investing activities	<u>453</u>
<b>Net decrease in cash</b>	(151,371)
<b>Cash and equivalents, beginning of year</b>	<u>391,859</u>
<b>Cash and equivalents, end of year</b>	<u><u>\$ 240,488</u></u>
<b>Reconciliation of net operating loss to net cash</b>	
<b>flows from operating activities</b>	
Net operating loss	\$ (178,434)
Adjustments to reconcile net operating loss	
to net cash used by operating activities	
Depreciation	104,837
Change in deferred outflows	(90,812)
Change in net pension liability	(24,170)
Change in deferred inflows	61,546
Decrease in accounts receivable	1,478
Increase in prepaid expenses	(17,868)
Increase in accounts payable	1,852
Increase in accrued expenses	<u>1,343</u>
Net cash used by operating activities	<u><u>\$ (140,228)</u></u>

The accompanying notes are an integral part of these financial statements.

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

Maury County Emergency Communications District is a nonprofit organization, established under Tennessee law. The District was organized to provide Emergency 911 service to the residents of Maury County. While 911 has been in use for several years for emergency services, the Enhanced 911 was adopted for Maury County by public referendum on August 4, 1988. The voters of Maury County voted for E911 with an approval majority of 92%. Although the District is considered a municipality under its enabling legislation, it cannot levy or collect taxes and the charges for services shall not be considered or classified as taxes. The District is managed by a volunteer board of directors who are appointed by the District's primary government.

The District is a discretely presented component unit of Maury County, Tennessee, and the financial statements are presented in both the District's separate financial report and within the Maury County, Tennessee financial report. The District is considered a discretely presented component unit of Maury County as defined under the criteria set forth in Governmental Accounting Standards Board Statement 14, because the district would be unable to issue debt without approval of Maury County, Tennessee.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The District's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this basis, revenues are recorded when earned and expenses are recorded when incurred, even though actual payment or receipt may not occur until after the period ends. With this measurement focus, all assets and all liabilities associated with the operations are included in the statement of net position. Net position (i.e., total assets net of total liabilities) is segregated into investment in capital assets and unrestricted components.

The District has adopted Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, required for fiscal periods beginning after December 15, 2011. This Statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance, included in certain FASB and AICPA pronouncements issued prior to November 30, 1989, which does not conflict with or contradict GASB pronouncements.

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a District's principal ongoing operations. The principal operating revenues of the District are emergency telephone service charges to residents for providing emergency 911 services. Operating expenses include payroll expenses, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Deferred Outflows/Inflows of Resources

The District has adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. The Statement resulted in a change in the presentation of the balance sheet to what is now referred to as the statement of net position and the term "net assets" is changed to "net position" throughout the financial statements.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The District has items that qualify for reporting in this category. Accordingly, the items are reported in the statement of net position. These items are for pension changes in experience and for employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. The District has items that qualify for reporting in this category. Accordingly, the items are reported in the statement of net position. These items are for pension changes in investment earnings. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Net Position Restatement

In prior years, the District was not required to recognize a liability for its defined benefit pension plan. However, with the implementation of GASB Statement of No. 68, *Accounting and Financial Reporting for Pensions*, government employers are required to recognize a net pension liability in their statement of net position. Therefore, a restatement of the District's beginning net position has been recognized in the statement of revenues, expenses, and changes in net position totaling \$96,735.

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Pension Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the District's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to / deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Use of Estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of net position and the statement of cash flows, Maury County Emergency Communications District considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Capital Assets

Capital assets are defined by the District as assets with an initial cost of more than \$500 and an estimated useful life in excess of one year. Additions to capital assets are recorded at acquisition cost or estimated market value at the date of donation in the case of donated property. Depreciation and amortization are provided for in amounts sufficient to relate the cost of the assets to operations over their estimated service lives using the straight-line method of depreciation. Estimated useful lives, in years, for depreciable assets are as follows:

Building and improvements	10 - 40 years
Furniture and fixtures	7 - 10 years
Office equipment	5 - 10 years
Communications equipment	5 - 10 years
Vehicles	5 years

Income Taxes

Maury County Emergency Communications District is a tax-exempt organization under Section 115 of the Internal Revenue Code and, accordingly, no provision for federal income taxes has been made.



**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Budgetary Data

The District is required by state statute to adopt an annual budget. The annual budget is prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenses must be presented at the legal level of control, which is defined to be at the line-item level. The District utilizes cash basis accounting for the budget as depreciation is not budgeted, and outlays for capital items are budgeted as expenses. Therefore, the budget is not intended to be presented in accordance with generally accepted accounting principles. The budget may be amended by the Board as conditions warrant throughout the year.

Compensated Absences

It is the policy of the District that unused leave at the end of a fiscal year does not carry over to the next year. Vacation and sick leave expenditures are recognized when paid. Therefore, no accrual for accumulated unpaid leave is necessary.

Date of Management's Review

Subsequent events were evaluated through May 2, 2016, which is the date the financial statements were available to be issued.

**NOTE B – CASH AND DEPOSITORY COLLATERAL**

The District's current policies limit deposit of funds to accounts with commercial banks which are required to pledge securities as collateral for the deposits should they be in excess of Federal Deposit Insurance Corporation (FDIC) coverage of \$250,000. The financial institution used by the District is a participant in the Tennessee Collateral Pool, which was established to provide security for public funds deposits in excess of FDIC coverage. At yearend, the District's deposits of cash and certificates of deposit were fully insured by the FDIC or collateralized by the Tennessee Collateral Pool.

State statutes authorize the District to invest in (1) U.S. government securities and obligations guaranteed by the U.S. government; (2) deposit accounts at state and federally chartered banks and savings and loan associations; (3) the Local Government Investment Pool of the State of Tennessee; (4) obligations of the United States or its agencies under repurchase agreements with certain restrictions.

The District has not adopted formal deposit or investment policies for exposure to various forms of risks associated with its deposit and investment practices, other than to follow the State of Tennessee statutes as described above.

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

**NOTE C – CERTIFICATES OF DEPOSIT**

At June 30, 2015, certificates of deposit are as follows:

First Farmers & Merchants Bank, 0.18% maturing October 30, 2015	\$ 150,000
First Farmers & Merchants Bank, 0.28% maturing September 14, 2015	102,778
First Farmers & Merchants Bank, 0.28% maturing September 14, 2015	102,778
First Farmers & Merchants Bank, 0.23% maturing September 14, 2015	51,262
	<u>\$ 406,818</u>

**NOTE D – ACCOUNTS RECEIVABLE**

The following schedule reflects the components of accounts receivable as of June 30, 2015:

Emergency support services	<u>\$ 21,843</u>
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**NOTE E – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2015, is presented below:

	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Land	\$ 74,380	\$ -	\$ -	\$ 74,380
Buildings	510,582	28,701	-	539,283
Office equipment	33,294	11,275	-	44,569
Furniture and fixtures	5,637	-	-	5,637
Communications equipment	828,872	161,970	-	990,842
Vehicles	26,247	-	-	26,247
Total cost	<u>1,479,012</u>	<u>201,946</u>	<u>-</u>	<u>1,680,958</u>
Less accumulated depreciation for:				
Buildings	(99,823)	(14,659)	-	(114,482)
Office equipment	(10,619)	(2,264)	-	(12,883)
Furniture and fixtures	(3,065)	(508)	-	(3,573)
Communications equipment	(462,320)	(87,406)	-	(549,726)
Vehicles	(26,077)	-	-	(26,077)
Total accumulated depreciation	<u>(601,904)</u>	<u>(104,837)</u>	<u>-</u>	<u>(706,741)</u>
Capital assets, net	<u>\$ 877,108</u>	<u>\$ 97,109</u>	<u>\$ -</u>	<u>\$ 974,217</u>

Depreciation charged to expense for the current year amounted to \$104,837.

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

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**NOTE F – ACCRUED EXPENSES**

Accrued expenses at June 30, 2015, consist of the following:

Accrued payroll	\$ 25,003
Accrued payroll liabilities	<u>4,814</u>
	<u><u>\$ 29,817</u></u>

**NOTE G – MAJOR REVENUE SOURCES**

Revenue for operation and maintenance of the Maury County Emergency Communications District is generated by a surcharge placed on residential and business phone lines. Prior to January 1, 2015, the surcharge was collected by AT&T Telephone Company and remitted to the District monthly less a 3% administrative fee. Effective January 1, 2015, all surcharge revenues from telephone companies that have been paid to the districts in the past are now paid directly to the Tennessee Emergency Communications Board (TECB) as stipulated in the new 911 Funding Modernization Act. The TECB has calculated the base funding for each district and will use this calculation to distribute and direct deposit these revenues to the districts. In the current year, operating revenue received from TECB amounted to approximately 66% of total operating revenue.

**NOTE H – PENSION PLAN**

Plan Description

Employees of Maury County Emergency Communications District are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

Benefits Provided

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested.

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

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**NOTE H – PENSION PLAN (CONTINUED)**

Benefits Provided (continued)

Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1
Inactive employees entitled to but no yet receiving benefits	4
Active employees	15
	<hr/>
	20
	<hr/>

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary. Maury County Emergency Communications District makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Maury County Emergency Communications District were \$72,337 based on a rate of 9.58 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Maury County Emergency Communications District's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

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**NOTE H – PENSION PLAN (CONTINUED)**

Net Pension Liability (Asset)

Maury County Emergency Communications District's net pension liability (asset) was measured as of June 30, 2014, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions*

The total pension liability as of June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.5 percent

Mortality rates were based on actual experience from the June 30, 2012 actuarial experience study adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

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**NOTE H – PENSION PLAN (CONTINUED)**

*Actuarial Assumptions (continued)*

<b>Asset Class</b>	<b>Long-Term Expected Real Rate of Return</b>	<b>Target Allocation</b>
U.S. equity	6.46%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U.S. fixed income	0.98%	29%
Real estate	4.73%	7%
Short-term securities	0.00%	1%
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

***Discount Rate***

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Maury County Emergency Communications District will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

**NOTE H – PENSION PLAN (CONTINUED)**

**Changes in the Net Pension Liability (Asset)**

	Increase ( Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
<b>Balance at 6/30/13</b>	\$ 967,299	\$ 794,872	\$ 172,427
<b>Changes for the year:</b>			
Service cost	57,962	-	57,962
Interest	76,540	-	76,540
Differences between expected and actual experience	20,785	-	20,785
Contributions - employer	-	75,692	(75,692)
Contributions - employees	-	39,588	(39,588)
Net investment income	-	140,492	(140,492)
Benefit payments, including refunds of employee contributions	(9,464)	(9,464)	-
Administrative expense	-	(623)	623
<b>Net changes</b>	145,823	245,685	(99,862)
<b>Balance at 6/30/14</b>	<u>\$ 1,113,122</u>	<u>\$ 1,040,557</u>	<u>\$ 72,565</u>

***Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate***

The following presents the net pension liability (asset) of Maury County Emergency Communications District calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Maury County Emergency Communications District's Net Pension Liability (Asset)	\$ 260,196	\$ 72,565	\$ (78,914)

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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**NOTE H – PENSION PLAN (CONTINUED)**

**Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

***Pension Expense***

For the year ended June 30, 2015, Maury County Emergency Communications District recognized pension expense of \$18,900.

***Deferred Outflows of Resources and Deferred Inflows of Resources***

For the year ended June 30, 2015, Maury County Emergency Communications District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 18,476	\$ -
Net difference between projected and actual earnings on pension plan investments	-	61,546
Contributions subsequent to the measurement date of June 30, 2014	<u>72,337</u>	<u>-</u>
Total	<u>\$ 90,813</u>	<u>\$ 61,546</u>

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2014,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

2016	\$ (13,077)
2017	(13,077)
2018	(13,077)
2019	(13,077)
2020	2,309
Thereafter	6,927

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.



**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

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**NOTE H – PENSION PLAN (CONTINUED)**

Payable to the Pension Plan

At June 30, 2015, Maury County Emergency Communications District reported a payable of \$5,533 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2015.

**NOTE I – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For the year ended June 30, 2015, the District was insured against potential losses associated with these risks through the purchase of commercial insurance for management liability and through a blanket general liability policy purchased by Maury County. There have been no losses in excess of insurance coverage during the last three years.

**NOTE J – ACCOUNTING CHANGES**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68* became effective for the year ended June 30, 2015. As a result of implementing the provision of these statements, the District recognized the initial establishment of a net pension liability at July 1, 2013. Accordingly, the District restated its financial statements for the year ended June 30, 2014. The effect of the restatement was to decrease the District's net position by \$96,735.

**REQUIRED SUPPLEMENTARY INFORMATION**

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)  
AND RELATED RATIOS BASED ON PARTICIPATION  
IN THE PUBLIC PENSION PLAN OF TCRS  
LAST FISCAL YEAR ENDING JUNE 30**

	<u>2014</u>
<b>Total pension liability</b>	
Service cost	\$ 57,962
Interest	76,540
Changes in benefit terms	-
Differences between actual and expected experience	20,785
Changes in assumptions	-
Benefit payments, including refunds of employee contributions	(9,464)
<b>Net change in total pension liability</b>	145,823
<b>Total pension liability - beginning</b>	967,299
<b>Total pension liability - ending (a)</b>	<u>\$ 1,113,122</u>
 <b>Plan fiduciary net position</b>	
Contributions - employer	\$ 75,692
Contributions - employees	39,588
Net investment income	140,492
Benefits payments, including refunds of employee contributions	(9,464)
Administrative expense	(623)
<b>Net change in plan fiduciary net position</b>	245,685
<b>Plan fiduciary net position - beginning</b>	794,872
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 1,040,557</u>
 <b>Net pension liability (asset) - ending (a) - (b)</b>	<u>\$ 72,565</u>
 <b>Plan fiduciary net position as a percentage of total pension liability</b>	93.48%
 <b>Covered-employee payroll</b>	\$ 791,754
 <b>Net pension liability (asset) as a percentage of covered-employee payroll</b>	9.17%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
SCHEDULE OF CONTRIBUTIONS BASED ON PARTICIPATION  
IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS  
LAST FISCAL YEAR ENDING JUNE 30**

	<u>2014</u>	<u>2015</u>
Actuarially determined contribution	\$ 75,692	\$ 72,337
Contributions in relation to the actuarially determined contribution	<u>75,692</u>	<u>72,337</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 Covered-employee payroll	 \$ 791,754	 \$ 755,081
Contributions as a percentage covered-employee payroll	9.56%	9.58%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**Notes to Schedule**

*Valuation date:*

Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013 actuarial valuation.

*Methods and assumptions used to determine contribution rates:*

Actuarial cost method	Frozen initial liability
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	5 years
Asset valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of Living Adjustments	2.5 percent

See auditor's report.

## **SUPPLEMENTARY INFORMATION**

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**SCHEDULE OF OPERATING EXPENSES**  
**YEAR ENDED JUNE 30, 2015**

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**Salaries and Wages**

Director	\$ 70,609
Assistant director	55,042
Administrative personnel	56,200
Telecommunicators	639,497
Longevity	8,427
	<hr/>
	829,775
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**Employee Benefits**

Social security	51,446
Medicare	12,032
Life insurance	3,692
Medical insurance	186,919
Medical reimbursement plan	12,647
Unemployment compensation	4,950
Pension expense	18,900
	<hr/>
	290,586
	<hr/>

**Contracted Services**

Audit services	2,750
Accounting services	2,400
Fees paid to service providers	16,000
Janitorial services	4,800
Legal services	12,863
Maintenance agreements	61,750
Data base maintenance	41,420
Other consultants	5,943
Pest control	450
Copier lease	1,607
	<hr/>
	149,983
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See auditor's report.

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
SCHEDULE OF OPERATING EXPENSES (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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**Supplies, Materials and Maintenance**

Office supplies	8,670
Postage	246
Small equipment purchases	3,860
Uniforms & shirts	1,930
Utilities	
Electric and water	13,527
General telephone	11,900
Cell phones and pagers	2,142
Internet	1,630
Repairs - communications equipment	1,616
Repairs - building	13,207
Vehicle operation/maintenance	5,472
	<hr/>
	64,200

**Other Charges**

Bank charges	1,022
Board meeting expenses	150
Dues and memberships	1,110
Employee testing and exams	90
Insurance	
Workers' compensation	3,085
Liability	5,308
Buildings and contents	8,149
Vehicles	1,089
Public education	1,931
Service awards	2,251
Training	9,577
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	33,762

**Depreciation**

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104,837

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**\$ 1,473,143**

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See auditor's report.

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2015**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Cash Basis)</b>	<b>Variance With Final Favorable (Unfavorable)</b>
<b>Operating revenue</b>				
Emergency telephone service charges	\$ 139,200	\$ 139,200	\$ 153,862	\$ 14,662
State emergency communications board - shared wireless	102,642	102,642	110,920	8,278
State emergency communications board - operational funding	199,952	199,952	209,996	10,044
TECB distribution of 911 surcharges	461,277	461,277	461,280	3
Emergency support services	262,120	262,120	240,275	(21,845)
Other income	105,026	105,026	119,853	14,827
	<u>1,270,217</u>	<u>1,270,217</u>	<u>1,296,186</u>	<u>25,969</u>
<b>Operating expenses</b>				
Salaries and wages				
Director	73,949	73,949	70,646	3,303
Assistant director	59,775	59,775	54,878	4,897
Administrative personnel	94,166	94,166	57,320	36,846
Telecommunicators	655,166	655,166	636,994	18,172
Longevity	9,372	9,372	8,427	945
	<u>892,428</u>	<u>892,428</u>	<u>828,265</u>	<u>64,163</u>
Employee benefits				
Social security	55,331	55,331	51,352	3,979
Medicare	12,940	12,940	12,010	930
Life insurance	3,960	3,960	3,692	268
Medical insurance	225,600	201,650	186,919	14,731
Medical reimbursement plan	17,000	17,000	12,647	4,353
Unemployment compensation	-	4,950	4,950	-
Pension expense	75,304	75,304	72,890	2,414
	<u>390,135</u>	<u>371,135</u>	<u>344,460</u>	<u>26,675</u>
Contracted services				
Audit services	2,750	2,750	2,750	-
Accounting services	2,500	2,500	2,400	100
Fees paid to service providers	16,000	16,000	16,000	-
Janitorial services	4,800	4,800	4,800	-
Legal services	1,000	16,000	15,341	659
Maintenance agreements	77,800	79,800	79,618	182
Data base maintenance	46,320	42,320	41,420	900
Other consultants	7,000	6,100	5,943	157
Pest control	450	600	575	25
Copier lease	1,600	1,600	1,607	(7)
	<u>160,220</u>	<u>172,470</u>	<u>170,454</u>	<u>2,016</u>

See auditor's report.



**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Cash Basis)</b>	<b>Variance With Final Favorable (Unfavorable)</b>
Supplies, materials and maintenance				
Office supplies	6,800	8,600	8,513	87
Postage	300	300	215	85
Small equipment purchases	3,000	3,750	3,750	-
Uniforms & shirts	2,000	2,000	1,930	70
Utilities				
Electric and water	13,500	13,500	13,556	(56)
General telephone	10,800	11,350	11,308	42
Cell phones and pagers	3,000	2,450	2,215	235
Internet	1,650	1,650	1,630	20
Repairs - communications equipment	2,000	2,000	1,616	384
Repairs - building	5,000	9,000	8,900	100
Repairs - office equipment	2,000	-	-	-
Vehicle operation/maintenance	3,400	5,600	5,526	74
	<u>53,450</u>	<u>60,200</u>	<u>59,159</u>	<u>1,041</u>
Other charges				
Bank charges	1,000	1,000	1,022	(22)
Board meeting expenses	100	100	173	(73)
Dues and memberships	1,400	1,400	1,110	290
Employee testing	500	500	90	410
Insurance				
Workers' compensation	3,200	3,200	3,085	115
Liability	5,634	5,634	5,308	326
Buildings and contents	8,400	8,400	8,149	251
Vehicles	1,260	1,260	1,089	171
Public education	2,500	2,250	1,931	319
Service awards	2,000	2,250	2,251	(1)
Training	10,000	10,000	9,588	412
	<u>35,994</u>	<u>35,994</u>	<u>33,796</u>	<u>2,198</u>
Total operating expenses	<u>1,532,227</u>	<u>1,532,227</u>	<u>1,436,134</u>	<u>96,093</u>
Operating revenues over (under) expenses	<u>(262,010)</u>	<u>(262,010)</u>	<u>(139,948)</u>	<u>122,062</u>
<b>Nonoperating revenue (expenses)</b>				
Interest income	1,900	1,900	1,196	(704)
Grants and reimbursements	25,000	205,000	190,350	(14,650)
Capital expenditures	-	(202,000)	(201,946)	54
Total nonoperating revenue (expenses)	<u>26,900</u>	<u>4,900</u>	<u>(10,400)</u>	<u>(15,300)</u>
<b>Increase (decrease) in budgetary net position</b>	<u>(235,110)</u>	<u>(257,110)</u>	<u>(150,348)</u>	<u>106,762</u>
<b>Budgetary net position, beginning of year</b>	<u>1,561,982</u>	<u>1,561,982</u>	<u>1,561,982</u>	<u>-</u>
<b>Budgetary net position, end of year</b>	<u>\$ 1,326,872</u>	<u>\$ 1,304,872</u>	<u>\$ 1,411,634</u>	<u>\$ 106,762</u>

See auditor's report.

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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**Budget to Actual Reconciliation**

Decrease in budgetary net position	\$ (150,348)
Capital expenditures	201,946
Depreciation not budgeted	(104,837)
Accrual adjustment for accounts receivable	(1,478)
Accrual adjustment for prepaid expenses	17,868
Accrual adjustment for pension contributions subsequent to measurement date	53,437
Accrual adjustment for accounts payable	(1,852)
Accrual adjustment for accrued expenses	(1,624)
	<hr/>
Actual increase in net position	<u><u>\$ 13,112</u></u>

See auditor's report.

**MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**SCHEDULE OF STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2015**

<u>Program</u>	<u>Grantor Agency</u>	<u>(Receivable) Deferred Balance June 30, 2014</u>	<u>Grant Receipts</u>	<u>Expenditures</u>	<u>(Receivable) Deferred Balance June 30, 2015</u>
Equipment Reimbursement	Tennessee Emergency Communications Board	\$ -	\$ 190,350	\$ 190,350	\$ -

Basis of Presentation

The schedule of state financial assistance presents the grant activity of the Maury County Emergency Communications District in accordance with accounting principles generally accepted in the United States of America, which is the same basis of accounting as the basic financial statements.

See auditor's report.

**D. GREGORY JOHNSON**  
CERTIFIED PUBLIC ACCOUNTANT

204 WEST 4<sup>TH</sup> STREET, SUITE B  
COLUMBIA, TENNESSEE 38401

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS**

To the Board of Directors  
Maury County Emergency Communications District  
Columbia, Tennessee

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Maury County Emergency Communications District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated May 2, 2016.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the Maury County Emergency Communications District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Maury County Emergency Communications District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Maury County Emergency Communications District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Maury County Emergency Communications District's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "D. Gregory Johnson, CPA". The signature is written in a cursive, flowing style.

D. Gregory Johnson, CPA  
Columbia, Tennessee  
May 2, 2016